

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 COLOMBO 001160

SIPDIS

DEPT PLEASE PASS TO USTR
TREASURY FOR GRAO
DOC FOR ITA: ABENAISSA, LDROKER

E.O. 12958: N/A

TAGS: [ETRD](#) [PREL](#) [CE](#) [USTR](#) [ECONOMICS](#)

SUBJECT: US REPS FOCUS ON TRADE DURING PRIVATE
VISIT TO SRI LANKA

1. Summary: US Representatives Jerry Weller and Scott Garrett were in Sri Lanka from June 29 to July 3 on a private visit sponsored by a local business chamber. The US Reps, both members of the Hill's Sri Lanka Caucus, focused primarily on trade during meetings with a wide range of Sri Lankan private sector and government leaders, including the President and Prime Minister. The US Reps also proposed a possible parliamentary exchange with Sri Lanka. End Summary.

Exploring Trade Opportunities

2. US Reps Jerry Weller and Scott Garrett recently concluded a 4 day private visit to Sri Lanka sponsored by Sri Lanka's Federation of Chambers of Commerce and Industry. The US Reps emphasized in meetings and events throughout their stay that the purpose of their visit was to expand trade opportunities between the US and Sri Lanka. In a meeting with Prime Minister Ranil Wickremesinghe, the US Reps praised him for his commitment to further economic liberalization. They pressed Wickremesinghe to move forward with legislation (now pending before Parliament) to protect intellectual property, noting that Congress took a dim view of countries that fail to protect Intellectual Property Rights (IPR). Wickremesinghe assured the delegation that TRIPS-compliant legislation would pass Parliament by September, despite a current court challenge to a portion of the legislation that deals with pharmaceutical patents. US Reps emphasized that legislation alone was not sufficient; GSL will need to follow through with strict IPR enforcement.

3. Wickremesinghe asked the US Reps how they viewed the prospects for a US-Sri Lankan FTA. US Reps underlined their commitment to broad-based free trade as the best way to increase income levels, in both the developing and developed world. Sri Lanka, they said, should take pride in being the first country in South Asia with which the US has signed a Trade and Investment Framework Agreement (TIFA). The US, they added, has high FTA standards, and any agreement would require extensive further liberalization of the Sri Lankan economy. While they hoped the US would move on to FTA negotiations with Sri Lanka in the future, much would depend on Sri Lanka's commitment to open access for US goods and services. US Reps noted that increased business opportunities for US firms in Sri Lanka would be an important element in gaining the support of the US business community for an FTA. US Reps made similar points about strict US FTA requirements during a press conference at the conclusion of their visit.

4. US Reps also called on President Chandrika Bandaranaike Kumaratunga, who offered them her view on free trade. Kumaratunga said she is in favor of free trade - up to a point. A country like Sri Lanka, however, must ensure that the livelihoods of local farmers are protected in any FTA negotiations (she pointedly noted that the US also protects its agricultural industry). US Reps emphasized the need for Sri Lanka to liberalize the economy as much as possible, noting that expanded free trade would bring better economic opportunities to all Sri Lankans. The atmosphere in the meeting with Kumaratunga was highly cordial, and any cohabitations strains she is experiencing with the government of Wickremesinghe were not evident.

5. US Reps also discussed opportunities for increasing trade with Minister of Commerce and Consumer Affairs Ravi Karunanayake and G.L. Peiris, Minister of Enterprise Development, Industrial Policy and Investment Promotion. The delegation

had additional meetings with leading Sri Lankan business groups and chambers, as well as the American Chamber of Commerce in Sri Lanka.

Possible Parliamentary Exchange

16. US Reps also met with the Speaker of the Parliament Joseph Michael Perera and had the opportunity to interact with a wide variety of Members of Parliament, including the leader of the Opposition and representatives of leading Tamil and Muslim parties. The delegation discussed with the Speaker the possibility of a Parliamentary exchange with Sri Lanka, noting that both legislatures could benefit from the exchange of views and experience. US Reps agreed to stay in touch with the Speaker to begin to plan for the exchange. They also mentioned the proposal to President Kumaratunga, who said she liked the idea.

Comment

17. This private visit is the first visit - official or otherwise - by Members of Congress to Sri Lanka in several years. The Congressmen engaged key government leaders across the political spectrum and saw first hand the commercial opportunities for US companies in this, South Asia's most open economy. Sri Lanka, for its part, used the visit to voice clearly its commitment to free trade with the US - including making the structural reforms that an FTA will require. Post expects this visit to be the beginning of greater Congressional engagement in Sri Lanka.

18. US Reps Weller and Garrett have not cleared this cable.

CAMP